

VERMONT: EXPORTS, JOBS, AND FOREIGN INVESTMENT

Exports Mean Jobs for Vermont's Workers

- Export-supported jobs account for an estimated 18.6 percent, nearly one-fifth, of Vermont's total private-sector employment (2001 data latest available). This is more than three times the national average of 6.5 percent and is the highest percentage among the 50 states.
- More than one-third (38.4 percent) of all manufacturing workers in Vermont depend on exports for their jobs. This is the second highest figure in the nation and is significantly above the national-level share of manufacturing workers supported by exports (20.5 percent). (2001 data latest available)

Note: Export-related jobs estimates include only jobs supported by exports of manufactured goods; jobs generated by exports of services are excluded. Consequently, the numbers understate the total employment impact of exports on the U.S. economy. Source: State Export-Related Employment Project, International Trade Administration & Census Bureau.

Exports Help Sustain Over One Thousand Vermont Firms—Small As Well As Large

- A total of 1,247 companies exported goods from Vermont locations in 2001. Of those, 84 percent were small and medium-sized enterprises with fewer than 500 employees.
- Small and medium-sized firms generated 12 percent of Vermont's total exports of merchandise in 2001.

Source: Exporter Data Base, International Trade Administration & Census Bureau

Economic Globalization: A Two-Way Street for Vermont

- In 2002, majority-owned affiliates of foreign companies employed 12,000 workers in Vermont.
- Over one-fourth of these foreign-investment-supported jobs (28 percent, or 3,300 workers) were in the manufacturing sector in 2002.
- Majority-owned affiliates of foreign firms accounted for 8.1 percent—almost one-twelfth—of total manufacturing employment in Vermont in 2001.
- Foreign investment in Vermont was responsible for four percent of the state's total private-industry employment in 2001.
- Major sources of Vermont's foreign-investment-supported jobs in 2002 were Canada, the United Kingdom, Switzerland, France, and Germany.

Note: All figures exclude employment in banks affiliated with foreign companies. Source: Bureau of Economic Analysis.

Vermont Depends on World Markets

- Vermont's export shipments of merchandise in 2003 totaled \$2.6 billion.
- Vermont exported globally to 126 foreign destinations in 2003. The state's largest market in 2003 by far was NAFTA member Canada, which received exports of \$1.1 billion (41 percent) of Vermont's merchandise export total. Canada was followed by Taiwan (\$416 million) and South Korea (\$243 million). Other top

markets included Japan, Singapore, Malaysia, Ireland, the Netherlands, the United Kingdom, and Hong Kong.

- Vermont's biggest growth market, in dollar terms, is Taiwan. From 1999 to 2003, export shipments to Taiwan increased by \$280 million. Other countries where Vermont recorded large gains in the value of exports over this period were South Korea (exports up \$95 million), Singapore (up \$84 million), and Malaysia (up \$55 million).
- Of Vermont's 30 top markets, exports to Russia grew the fastest over the 1999-2003 period, rising from a modest \$81,000 to \$3.1 million, an increase of some 3,800 percent. Over this time span, Vermont also more than doubled its exports to Poland, Chile, the Netherlands, Hungary, Qatar, China, Malaysia, Norway, Taiwan, Singapore, and Spain.
- Manufactured goods make up 97 percent of Vermont's exports. Among manufactured products, the state's leading export category is computers and electronic products, which accounted for \$2.0 billion (75 percent) of Vermont's total merchandise exports in 2003. Other top manufactured exports that year were machinery manufactures (\$127 million), transportation equipment (\$79 million), and processed foods (\$56 million).
- In dollar terms, Vermont's leading manufactured export growth category is machinery manufactures. Export shipments of these products during the 1999-2003 period grew from \$82 million to \$127 million. Other manufactured export categories that registered large dollar growth over this period were electrical equipment, appliances, and parts (up \$24 million); and transportation equipment (up \$8 million).
- In percentage terms, Vermont's fastest-growing manufactured export category is beverage and tobacco products, which grew 2,777 percent from less than \$34,000 in 1999 to approximately \$971,000 in 2003. Other fast-growing manufactured exports during this period were furniture and related products (up 124 percent); electrical equipment, appliances, and parts (up 112 percent); and leather and related products (up 60 percent).

Source: Origin of Movement State Export Series, Bureau of the Census.

Caution: The Origin of Movement series allocates exports to states based on transportation origin, i.e., the state from which goods began their journey to the port (or other point) of exit from the United States. The transportation origin of exports is not always the same as the location where the goods were produced. Consequently, conclusions about "export production" in a state should not be made solely on the basis of the Origin of Movement state export figures.

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